

SCOTTISH WIDOWS

official pensions and investment provider



Individual Buyout Plan

Take control of your
plans for retirement



Planning now for your retirement is important, as it will help you to achieve a good standard of living when you stop working.

These days we are more likely to move jobs regularly and in some instances leave behind a pension with a past employer.

Have you ever asked yourself the following questions?

- Did my previous employer offer a pension and was I a member?
- What is it worth now?
- Is there anything I can do now to potentially increase my pension when I come to retire?
- Is my pension invested in the best place to give me the income I require in retirement?

Knowing what, if anything, to do with these existing pension benefits can seem like a daunting task. The level of income you receive from your pension plan will depend upon a number of factors including the value of the plan when you decide to take your pension, which isn't guaranteed and can go down as well as up. Talking to your financial adviser is the first step. Your adviser will be able to help you assess the benefits you currently have in place and advise you how best to maximise your possibilities.

Our Individual Buyout Plan may be an appropriate home for pension benefits built up with a previous employer. We've put together this guide to explain how it works and why it may be a suitable plan for you.

What is an individual Buyout Plan?

The Scottish Widows Individual Buyout Plan is a vehicle for investing the transfer value from a registered pension scheme in your choice of a range of funds.

Who is involved?

As a member of your employer's scheme, the trustees of the scheme are in control of the investment strategy for the scheme. They also have a say in when you can take your benefits even if you have left their employment.

Transferring to an individual buyout plan allows you to take control of the investment and can give you some control over how and when you take the benefits.

Individual Buyout Plan and what it could mean for you

You choose the plan, with the guidance of your financial adviser.

Your existing pension scheme pays the transfer value, at your request, to your new Scottish Widows Individual Buyout Plan.

You, as the plan holder, control the plan and make your own decisions about where your plan is invested and when you retire.

However, there may be restrictions on the level of flexibility you have. Your financial adviser can give you more information based on your own circumstances.

Your benefits under this plan could be lower than those available in your current scheme.

In addition, when you transfer from another pension scheme, you could lose any guaranteed benefits and may not be able to return to it.

Normally, a transfer from one registered scheme to another will result in a loss of any protection which applies to your tax-free cash or retirement age. However, there are certain circumstances where protection will still apply, please contact your financial adviser for details.

Unless your tax-free cash sum is protected, any tax-free cash sum payable from this plan will be restricted to 25% of the fund value. This may be less than the tax-free cash available under your current pension scheme.

The value to an investor of the tax advantages of an Individual Buyout Plan will depend on personal circumstances, which may change.

Tax rules can change.

Why choose a Scottish Widows Individual Buyout Plan?

You control the investment of your retirement fund using our wide range of investment options which include:

- Single manager and tracker funds managed by Scottish Widows Investment Partnership.
- Carefully selected funds managed by external fund managers.
- Multi-Manager funds run in association with Russell Investment Group.
- Lifestyle Switching.

At any time you can contact us to change the funds your plan is invested in. Currently we don't charge for this but there may be restrictions on switches.

More details of the funds we offer can be found in our Pension Funds Investor's Guide (16540).

The value of a unit-linked investment is not guaranteed and can go up and down depending on investment performance (and currency exchange rates where a fund invests overseas). If you are considering investing in our with-profits fund, more details can be found in the booklet "Your guide to with-profits".

If you invest in the unitised with-profits fund, we may apply Market Value Reductions (MVRs). If money is switched out of the unitised with-profits fund and then switched back in, the terms on which units are bought for the switch may be adjusted.

Where applicable, the selection of funds offered could vary and restrictions may apply to the amounts which can be invested. Please contact us for details of any restrictions.

You decide:

- When you want to retire.
- Whether you want your pension in retirement to increase each year and at what rate.
- Whether you want to provide a pension for your spouse when you die after retirement.

Your financial adviser can give you more information based on your own circumstances.

An individual buyout plan could form a core part of your retirement planning strategy leading up to your retirement. Your financial adviser will explain how this plan can be used to help maximise your potential retirement income level and flexibility.

Options under an Individual Buyout Plan

You will normally be able to take up to 25% of your fund value as a tax-free cash sum and provide a taxable pension with the remaining fund.

Alternatively, you can transfer to another plan. However, any protection you have in relation to your tax-free cash sum or retirement age may be lost on transfer from this plan.

A pension is a way of saving for retirement. However the money, once invested, cannot normally be accessed until at least age 55.

The value to an investor of the tax advantages of an Individual Buyout Plan will depend on personal circumstances, which may change.

Tax rules can change.

The next step

After we receive the transfer payment from the trustees of the employer sponsored registered pension scheme or the administrator of your previous plan, we will set up your plan and send your confirmation documents to you.

From then on we'll deal with you, or your chosen financial adviser, for all aspects of your plan.

Every year we'll send you a statement showing your plan value and giving estimates of the projected pension at your chosen retirement date.

Important notes

Please see our Key Features (41982), which give a summary of the Scottish Widows Individual Buyout Plan.

Full terms and conditions are available on request from Scottish Widows.

Charges, limits and terms which apply may change from time to time.



As part of the Lloyds Banking Group, Scottish Widows is proud to be an Official Provider of the London 2012 Olympic and Paralympic Games.

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